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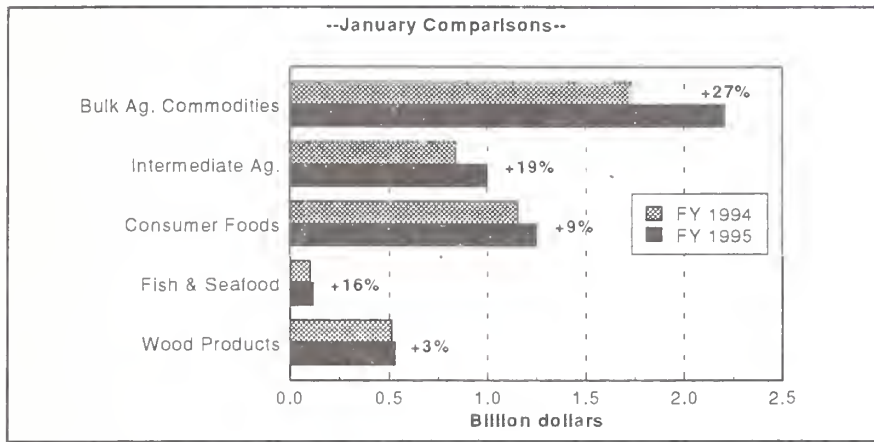
Circular Series

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April 1995

Agricultural Trade Highlights



Exports Rise 18 Percent in January Despite Sharply Lower Sales to Mexico



January trade statistics released on March 22 by the Commerce Department placed the value of U.S. agricultural, fish and forest product exports at \$5.1 billion, an 18-percent increase over the January 1994 level. Agricultural exports alone totaled \$4.5 billion, up 20 percent over year-ago levels with bulk, intermediate and consumer-oriented exports each registering gains. Fish and forest product exports rose 5 percent to \$660 million in January. Exports to seven of the top ten country markets were up. However, exports to Mexico were down 23 percent reflecting the negative impact of the peso devaluation on U.S. sales to that nation.

January's shipments bring the four month total for agricultural, fish and forest product exports to \$21.6 billion, 17 percent higher than the same period last year. Agricultural exports were the best performers, growing 19 percent over last year to \$18.5 billion. All three agricultural categories (bulk, intermediate and consumer-oriented) registered double-digit gains over last year. Exports of fish and forest products rose 7 percent to \$3.1 billion.

At \$2.2 billion, U.S. exports of *bulk*

commodities in January increased 27 percent over year-earlier levels. All products except wheat rose with the sharpest gains seen in cotton and coarse grains. Exports of cotton increased 94 percent reflecting sharply higher sales to China. Coarse grain sales were almost \$200 million higher than January of last year due largely to stronger exports to the Pacific Rim markets of Korea, Japan and China. During the first four months of fiscal 1995, bulk commodity exports totaled \$8.4 billion, up 21 percent over the same period last year with all commodities registering gains.

U.S. exports of *intermediate products* reached \$1 billion in January, up 19 percent from the same month last year. Gains were broad-based with the strongest registered in exports of vegetable oils and hides and skins. These gains more than offset a 22-percent decline in live animals exports. Notable increases were also registered in beverage bases and planting seeds. For the first four months of fiscal 1995, intermediate product exports rose 17 percent to \$3.9 billion.

Exports of U.S. *consumer-oriented products* continued to rise despite

sharply lower sales to Mexico, with worldwide sales totaling \$1.3 billion in January, 9 percent ahead of the same month last year. Exports rose in most product categories with the most significant increases recorded in chilled and frozen red meats, poultry meat and fresh vegetables. January's performance brought consumer food exports for the first four months of fiscal 1995 to \$6.2 billion, up 17 percent from the same period last year.

At \$121 million in January, *edible fish and seafood* exports rose 16 percent over the same month last year. Increases in canned salmon, crabmeat, and lobster were more than offset by lower surimi exports. U.S. fish and seafood exports finished the first four months of fiscal 1995 at \$783 million, up 16 percent from the previous year.

U.S. *forest product* exports rose to \$535 million in January, up slightly from the same month last year. Exports of panel products (including plywood) led the category, up \$20 million from the same month last year. In the first four months of fiscal 1995, U.S. exports of forest products rose 5 percent over the same period last year with shipments totaling \$2.3 billion.

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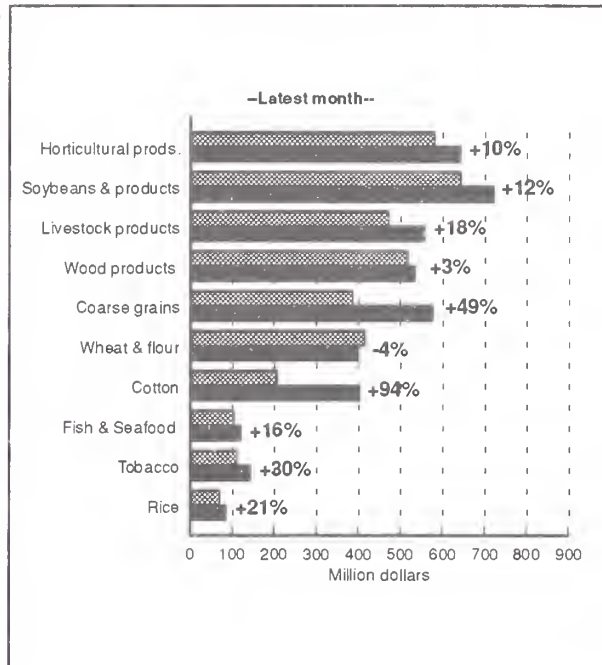
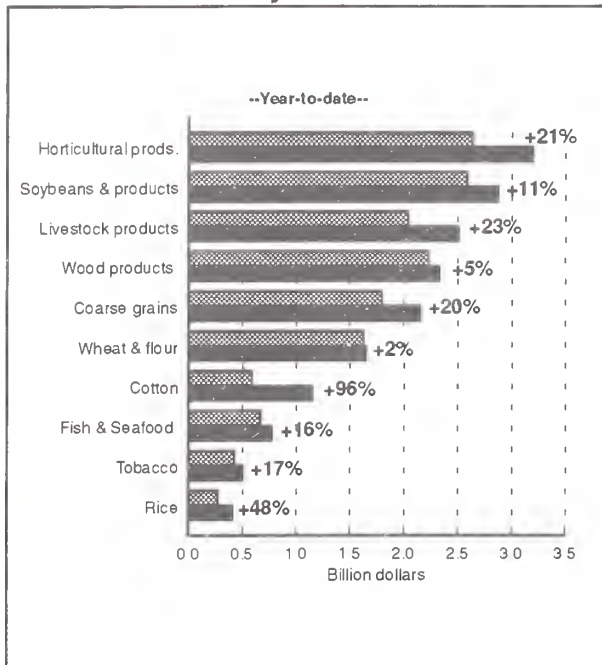
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U.S. Agricultural, Fish and Wood Export Summaries

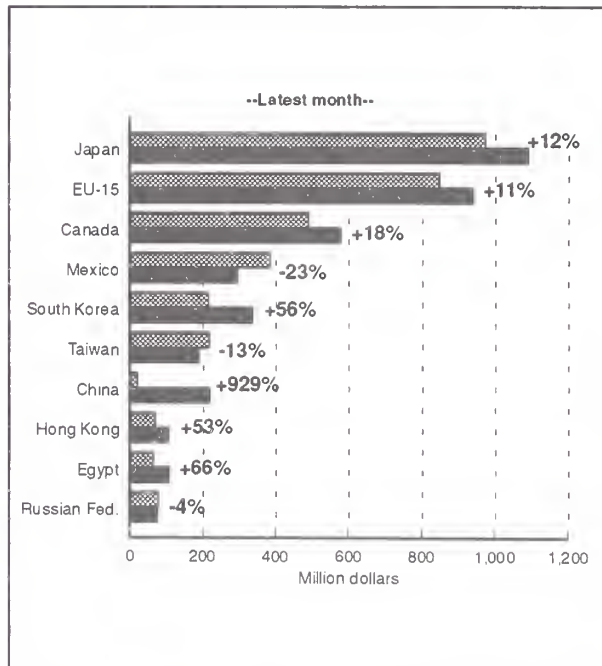
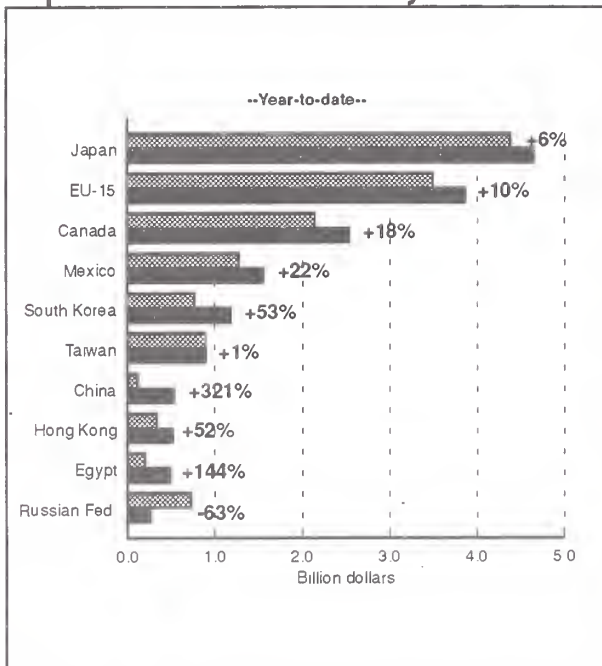
October-January and Latest Month Comparisons

■ FY '94 ■ FY '95

Product Summary



Top Ten Markets Summary



Note: Percentages are computed as the change from a year ago.

Consumer Food Highlights

U.S. consumer food exports reached \$1.26 billion in January 1995. This is 9 percent ahead of the January 1994 sales figure. Despite a broad-based slowdown in U.S. sales to Mexico due to the peso devaluation, eight of the nine categories examined this month rose compared to year-earlier levels.

Exports of *chilled and frozen red meats* reached \$257 million in the January 1995, a 15-percent increase over the same month in 1994. Japan continued to dominate the red meat export market, with January sales reaching \$147 million, 19 percent higher than the same month last year. January's export figures were mixed in the other top five markets. The impact of the peso crisis is evident in the 49-percent drop in sales to Mexico, which totalled \$15.7 million. Shipments to South Korea also dropped 8 percent to \$21.7 million, while exports to Canada grew 18 percent to reach \$30.1 million. Hong Kong continued its strong sales growth of last year with \$5.3 million in sales, a 265-percent increase over the same month last year. Shipments to Russia jumped to \$15 million for January alone, nearly half that of 1994's full calendar year export level.

Shipments of *fresh fruit* were \$135 million in January, 3 percent higher than the same month in 1994. Rising citrus fruit sales led by an \$11 million increase in grapefruit shipments overcame a decline in apple sales. Sales to Canada rose 2 percent to \$33.2 million led by slight increases in shipments of tangerines, grapefruit and pears. January shipments to Japan rose 26 percent over the same month last year to \$33.3 million. Sales were led by increased grapefruit exports, and \$3.2 million in apple exports entering under the new phytosanitary agreement with Japan. Fresh fruit shipments to Taiwan and Mexico were sharply lower.

Processed fruit and vegetable exports totaled \$134.8 million for the month of January, an 11-percent increase over the same month last year. Growth was concentrated in frozen french fries, tomato paste and other vegetable sauces, potato flakes, dried soup and onions, frozen strawberries, and

miscellaneous fruit preparations and mixtures. Although there was little change in exports to Japan, the largest market, double-digit growth occurred to Canada, Hong Kong, South Korea, Taiwan, Singapore, the Philippines, Malaysia and Saudi Arabia. Sales were also up to the EU-15 (which now includes Austria, Sweden and Finland), led by the United Kingdom and Italy.

Wine and beer exports totaled \$38.5 million for the month of January, up 59 percent from the same time last year. Japan was the leading market, with sales up 32 percent. Increases were also registered for Hong Kong, Taiwan, Brazil, Paraguay and Switzerland. Beer exports totaling \$26.6 million accounted for most of the category's growth during the month, increasing to more than twice the level of last January.

U.S. *poultry* meat exports were \$128 million in January, 45 percent higher than the same month last year. Sales were led by triple-digit increases in sales to Russia and Hong Kong. Both markets set records in 1994. Shipments to the third largest market Mexico fell 27 percent to \$11.3 million. Japan continues to show strong growth with sales reaching \$10.2 million, or 22 percent higher than the same month last year. Shipments to Canada were virtually unchanged at \$10.1 million.

Fresh vegetable exports were \$102.1 million for the month of January, or 31 percent ahead of the same month last year. Canada accounted for nearly \$70 million, and were up 19 percent over last year's figure. Exports have had an explosive start in Asia, following record sales to the region in 1994. Compared to January of last year, fresh vegetable exports were up 97 percent to Japan, up 58 percent to Hong Kong, up 94 percent to Taiwan, up 47 percent to Singapore, and up more than 2000

percent to South Korea. Within this product category, those which achieved especially strong sales growth included onions (both sets and shallots), cauliflower, lettuce (both head and packaged salads), cabbage, celery and peppers.

U.S. exports of *tree nuts* were \$71.5 million in January, or 20 percent lower than the January 1994 figure. Nearly all of the drop was due to lowers sales of snack almonds. However, a record almond crop last year has led to lower prices and higher sales volumes for shelled and unshelled almonds. Sales to the EU-15 are down 20 percent from year-earlier levels to \$35.7 million. The EU-15 accounts for half of all U.S. nut exports. Exports to Japan, the second leading market, also fell 55 percent to \$6 million.

Exports of *fruit and vegetable juices* were \$41.8 million in January, a 33-percent increase over the same month last year. Shipments were led by orange juice, with apple and grapefruit juice also showing increases. Although Canada continued to be the leading market, sales were relatively flat. Much stronger growth occurred in Japan, South Korea, Hong Kong, Taiwan and the EU-15. The surge in sales to the EU-15 is the result of marketing efforts undertaken by Florida citrus growers for single-strength orange juice.

Pet food exports totaled \$47.2 million in January, 23 percent ahead of the same month last year. Sales were up to most major markets, with double-digit increases occurring in Canada, Japan, Mexico, Italy, Taiwan and France. In fact, pet foods was the only U.S. consumer-oriented item shipped to Mexico that showed an increase following the peso devaluation. This implies that the demand for imported pet foods among Mexican consumers is price inelastic. In other words, as prices for this import rise, consumers are more willing to pay higher prices for the same product rather than switch their pets to table scraps.

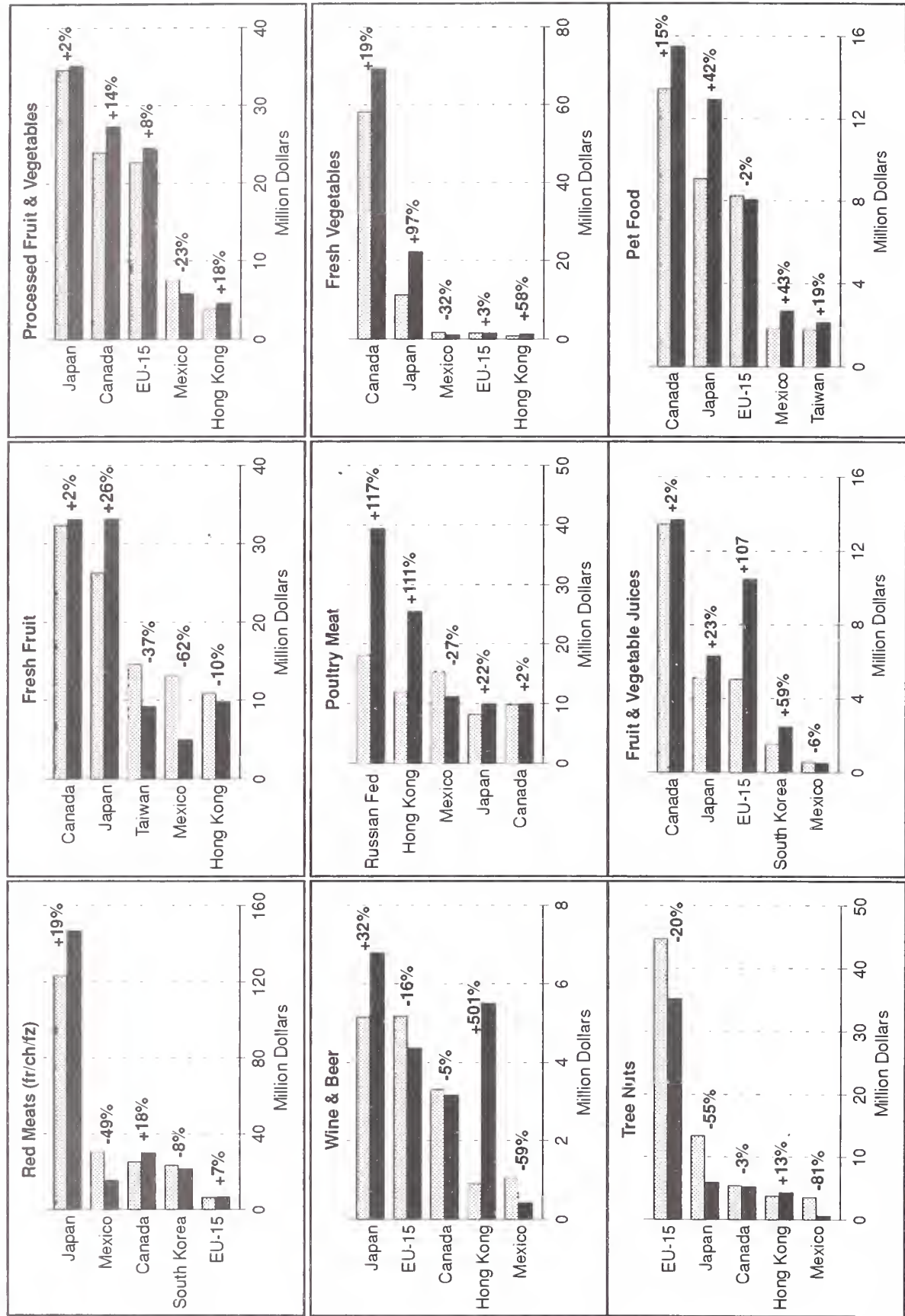
For more information, contact Robert Tse at (202) 720-1034.

Top Five Markets for Selected U.S. Consumer Foods

January Comparisons

CY '94

CY '95



Notes: Percentages are computed as the change from 1994 to 1995. Countries are ranked from highest to lowest based on full CY 1994 exports.

Country Spotlight: Mexico

Mexico continues to hold long-run potential, even in the face of the current economic setback. Demographic trends, infrastructural advantages, and the trading relationships built up through NAFTA will make the Mexican market an important one for U.S. exports of agricultural products long after the dust from the current situation settles. Exporters who can effectively manage the current situation will be in an excellent position to take advantage of future market potential.

By Carmi Lyon and Ron Croushorn

U.S. agricultural exports enjoyed prosperity during the past decade as Mexico opened its markets and restructured its economy. The implementation of NAFTA in 1994 improved U.S. export successes. Under the first year of NAFTA, U.S. agricultural exports grew by 27 percent over the previous year, reaching an all-time high of \$4.5 billion. Bulk products, led by soybean and coarse grain exports, increased 37 percent over the previous year. Intermediate and consumer-oriented products each hit record highs in 1994. Led by growth in live animals and soybean meal, intermediate products reached \$1.1 billion. Consumer foods grew 25 percent to \$1.7 billion. Clearly the results from the first year of NAFTA showcase the enormous long-run

potential for U.S. agricultural exporters in Mexico.

The United States dominates the consumer foods category, holding 68 percent of the market in 1993 according to the most recent UN data. In selected niche markets, the European Union (EU), New Zealand, and Chile generate rigorous competition. The EU is well positioned in the wine market, New Zealand provides competition in lamb, beef and butter, and Chile has developed a strong presence in horticultural products.

The United States also controls the majority of the market share in bulk and intermediate agricultural products. In 1993, the United States possessed 83 percent of the bulk market and 76

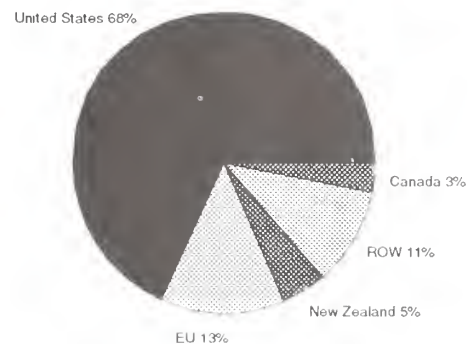
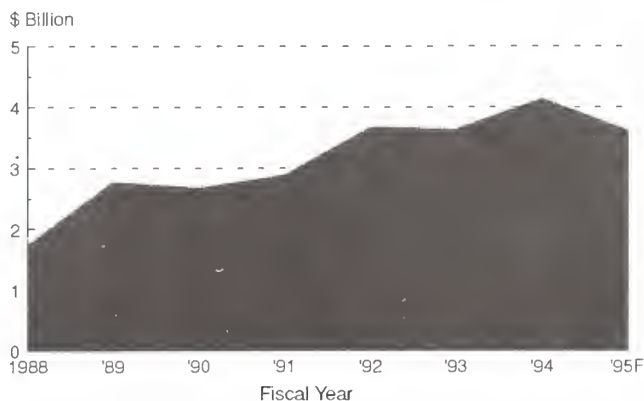
percent of the intermediate market. Canada and Argentina are distant competitors in the bulk market, mainly in wheat and oilseeds. The EU and Argentina provide some competition in the intermediate market, especially in oilseeds and horticultural products.

Devaluation Dampens Short-Term Demand

The Mexican economy suffered a blow when a switch to a floating exchange rate became necessary. The value of the peso fell about 50 percent following the switch. As a result of the devaluation and related economic events, the economy is forecast to be in recession for most of 1995 before gradually improving in 1996.

U.S. agricultural exports dropped sharply during the first full month following the devaluation. U.S. exports of agricultural products fell from a monthly total of \$346 million in January 1994 to \$275 million in January 1995, a decline of 21 percent. The January 1995 level is slightly below the pre-NAFTA level of \$293 million in January 1993. Bulk commodity exports dropped by less than 6 percent to \$129 million, and exports of intermediate agricultural products declined by less than 10

Economic Adjustments in 1995 Bring U.S. Exports to 1993 Level
United States Dominates Consumer Foods Market



Note: Share of Mexican import market based on 1993 UN data

...Mexico

percent to \$73 million. Exports of consumer goods also totaled \$73 million during January, a decline of 44 percent from a year ago.

The latest USDA forecast shows agricultural exports to Mexico declining from \$4.1 billion in fiscal 1994 to \$3.6 billion in fiscal 1995, a decline of 12 percent.

Exports of price- and income-sensitive products will be affected most, while sales of more basic products should be affected to a lesser degree. Currently, Mexican consumers face declining living standards driven by inflation and rising unemployment. For middle class consumers, the situation means returning to food staples with less variety in their diets. Although sales of higher-cost consumer goods are likely to fall, products with less value added may see smaller declines in exports. For example, decreases in exports of lower-cost cuts of pork and turkey should be modest.

U.S. exports of bulk commodities, such as corn and wheat are expected to remain steady or fall by less than 10 percent because of strong U.S. competitive advantages and demand.

U.S. exports of sorghum and dry beans could fall by more than 20 percent because of Mexican production capabilities. However, the ability of Mexican producers to boost output will be limited by the rising cost of imported inputs and credit.

What Makes Mexico Attractive to Exporters?

The factors drawing U.S. exporters to Mexico will remain once the current setback subsides. The United States has been able to excel in this market because of lower trade barriers and many natural advantages, such as proximity to market and cultural ties. Once the economy rebounds and middle class demand returns in full force, U.S. consumer-oriented and other products will be in an excellent position to recapture sales because Mexican consumers are already familiar with U.S. products.

NAFTA opened the door for U.S. exports to 90 million people with a per capita income of \$3,900 in 1994, double the 1986 level. Although this level has dropped sharply in the past few months, the potential for future income growth remains as Mexico

implements economic reforms. Additionally, the population is young and growing. Over half of the citizens are under the age of twenty, which is a bonus to consumer food marketers because younger people will be more likely to try new products. The population is estimated to be 100 million by the year 2000.

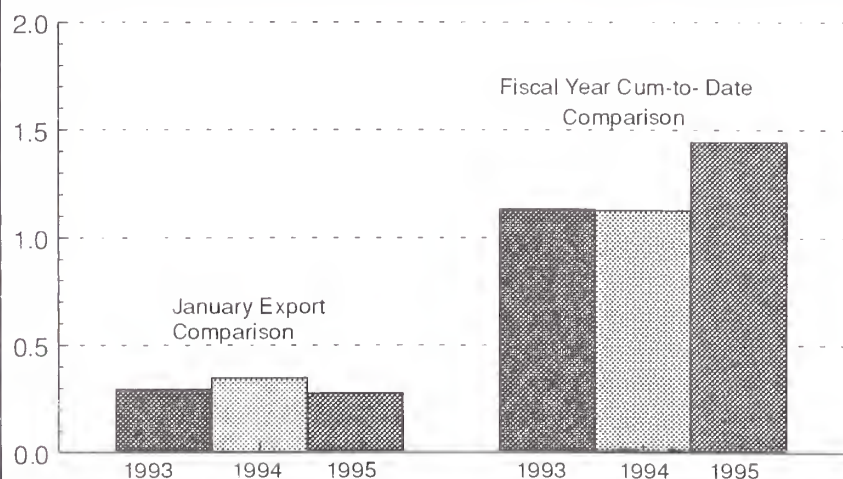
The United States and Mexico share 3,326 kilometers of border, allowing for many points of entry into Mexico. The overland routes between the U.S. and Mexico often serve Mexican population centers better than sea ports. The roads leading from the coastal cities to Mexico's population centers are poor, and the sea ports require serious improvements. The cost of modern storage facilities is higher in Mexico than in the United States so U.S. border cities often serve as consolidation centers for goods originating in the United States, Canada, and other countries.

The proximity of the United States and Mexico allows citizens of both countries to associate with one another on a personal level. Many Mexicans travel to the United States either to work, shop, or visit family. These consumers are familiar with U.S. products and brands. In the past they often made special trips to the United States to purchase products that they viewed as higher quality and less expensive than Mexican items.

Mexico Holds Long-Term Promise for U.S. Agricultural Products

Enduring relationships, geographic advantages, and demographic trends make longer term prospects bright for a number of agricultural products. Prior to the devaluation of the peso, the U.S. Embassy in Mexico City identified meat and meat products, poultry and poultry products, dairy products, fresh deciduous fruit, frozen foods, pet foods, snack foods, bakery products, and distilled spirits as consumer-oriented foods with the best long-term potential. This potential remains despite the short-

Export Gains in Fiscal 1995 Remain Despite January Drop



...Mexico

term setback. Of the top prospects, imports of frozen foods, pet foods, and bakery products may have the most potential in the near future. In fact, exports of pet foods during January rose 43 percent over year-ago levels, bucking the overall decline in U.S. exports to Mexico. Exporters are only beginning to tap many of these markets. Frozen foods and bakery products (especially frozen products) will benefit from the growing freezer space in Mexico and changing diets.

The U.S. Embassy also identified opportunities for bulk commodities, such as corn and dried beans. These products should perform well because of opportunities under NAFTA.

Short-Term Strategy Involves Commitment

While the long term looks promising, exporters must implement strategies in the short run that will carry them through the current difficulties. As the adjustment occurs, many firms look to the year ahead as a time to maintain a presence in the market by keeping close ties with distributors, importers, retailers, and consumers. These firms understand that making a commitment

to the market in lean times will preserve relationships that can easily be injured or forgotten through neglect.

The Oregon-Washington-California Pear Bureau has followed a market commitment strategy since the devaluation. The Bureau has increased market support in Mexico through promotions and trade contacts; the devaluation is positive in that the marketing budget is buying more. The efforts have allowed the Bureau to keep its foot in the door of the Mexican market despite weather-related quality problems and shortfalls in U.S. production. Pear exports dropped 29 percent from January 1994 levels as compared with a 44 percent drop in consumer foods overall. The California Strawberry Commission has followed a similar strategy. The Commission has indicated it will continue promotion and retail training programs regardless of the economy.

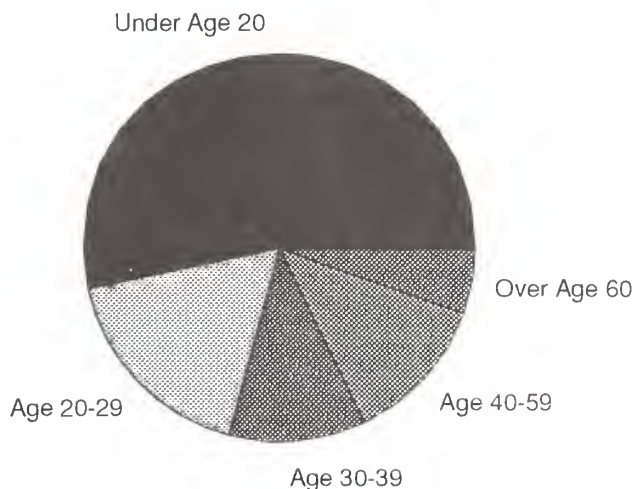
Exporters may seek opportunities in the niches that are less affected by the devaluation. Demand for high-quality, processed foods for the hotel and tourism industry will remain strong. Resorts are reporting record bookings as more people travel to Mexico for

inexpensive vacations due to the peso devaluation. Also, the highest socioeconomic class will continue to demand high-quality, high-value products. For other market niches, exporters may be able to limit declines in sales by marketing lower-cost items from their product lines.

FAS remains ready to assist exporters with sales to Mexico. The GSM credit guarantee program may be especially attractive during 1995 to exporters looking to reduce their financing risk. The program is available for a number of products to cover sales made on a letter-of-credit basis. FAS also supports exports to Mexico through the Market Promotion Program, Foreign Market Development funding, and its officers in the U.S. Embassy and Agricultural Trade Office.

NAFTA, a common border, and cultural ties make the United States and Mexico important trade partners. The market cannot be ignored during the current economic complications. These challenges require some careful attention in the short-run, but once they have been overcome the qualities that made Mexico our third largest agricultural trading partner in 1994 will come shining through again.

Over Half of Mexican Population is Under the Age of Twenty



Note: Based on 1992 population. Source: Government of Mexico.

The authors are with Trade and Marketing Analysis Branch and International Economic and Financial Analysis Branch, FAS. Tel: (202) 720-4051 and (202) 720-1667.

U.S. Exports of Agricultural, Fish & Wood Products to MEXICO

Calendar Years 1990 to 1995 and Year-to-Date Comparisons (\$1,000)

Product	Calendar Years					January-January		% Chg
	1990	1991	1992	1993	1994	1994	1995	
Bulk Agricultural Total	1,234,105	1,067,679	1,427,499	1,275,365	1,750,508	136,992	129,402	-5.5%
Wheat	51,494	39,170	61,824	134,449	91,597	2,286	21,094	822.7%
Coarse Grains	757,781	527,382	690,046	415,200	749,408	37,483	33,987	-9.3%
Rice	38,478	24,669	44,404	56,015	66,879 *	6,363	6,476	1.8%
Soybeans	201,409	343,727	439,996	415,723	533,436 *	57,424	49,520	-13.8%
Cotton	50,100	56,371	109,035	190,589	196,646 *	26,019	11,231	-56.8%
Tobacco	53	197	69	373 *	235	117	0	-100.0%
Pulses	102,503	23,036	15,312	15,061	26,108	338	306	-9.5%
Peanuts	6,434	9,098	10,207	10,645	17,846 *	1,437	903	-37.2%
Other Bulk Commodities	25,852	44,029	56,607	37,310	68,353	5,526	5,886	6.5%
Intermediate Agricultural Total	742,663	952,169	1,091,252	960,687	1,111,424 *	80,396	72,615	-9.7%
Wheat Flour	2,573	8,310	13,741 *	5,060	3,969	303	213	-29.7%
Soybean Meal	56,603	64,879	99,778	41,266	82,787	7,223	8,027	11.1%
Soybean Oil	1,800	9,596	13,269	14,854	13,702	22	142	545.5%
Other Vegetable Oils	25,300	31,568	57,557	76,647	91,862 *	2,700	4,004	48.3%
Feeds & Fodders (excl. pet foods)	54,623	72,821	110,921	110,237	122,343 *	9,063	7,722	-14.8%
Live Animals	88,291	188,662	197,323 *	108,679	149,747	12,970	3,574	-72.4%
Hides & Skins	92,923	133,836 *	130,271	103,336	103,038	7,029	7,484	6.5%
Animal Fats	84,995	96,772	90,033	111,702	125,915 *	8,095	12,157	50.2%
Planting Seeds	84,678	87,384	120,154	119,649	114,697	8,899	9,557	7.4%
Sugars, Sweeteners & Bever. Bases	101,415	91,293	46,875	37,762	57,417	2,924	5,171	76.8%
Other Intermediate Products	149,464	167,048	211,331	231,494	245,947 *	21,167	14,565	-31.2%
Consumer-Oriented Agricultural Total	571,502	964,309	1,246,928	1,325,893	1,651,164 *	128,814	72,621	-43.6%
Snack Foods (excluding nuts)	58,942	77,160	109,879	104,729	111,334 *	11,818	6,594	-44.2%
Breakfast Cereals & Pancake Mix	11,243	12,367	27,233	28,985	40,612 *	2,911	1,958	-32.7%
Red Meats, Chilled/Frozen	196,806	373,037	385,955	273,956	426,603 *	30,742	15,677	-49.0%
Red Meats, Prepared/Preserved	15,925	28,028	39,827	53,725	65,325 *	4,836	2,932	-39.4%
Poultry Meat	57,041	116,498	169,496	205,011	228,818 *	15,515	11,272	-27.3%
Dairy Products	59,041	117,810	163,252	244,455 *	176,962	21,548	7,618	-64.6%
Eggs & Products	8,751	9,823	9,650	11,100	17,906	948	584	-38.4%
Fresh Fruit	30,662	44,600	61,403	96,553	159,769 *	13,212	5,039	-61.9%
Fresh Vegetables	20,227	24,936	40,468	37,636	49,113 *	1,812	1,237	-31.7%
Processed Fruit & Vegetables	45,301	48,213	76,239	76,870	107,074 *	7,586	5,871	-22.6%
Fruit & Vegetable Juices	3,445	6,788	8,304	9,896	15,670 *	576	543	-5.7%
Tree Nuts	10,027	16,641	27,817 *	26,499	27,047	3,591	665	-81.5%
Wine and Beer	11,123	14,047	17,197	21,999	29,400 *	1,065	436	-59.1%
Nursery Products & Cut Flowers	4,994	12,455	14,717	15,956	21,799 *	1,081	819	-24.2%
Pet Foods, Dog/Cat	2,657	5,550	11,725	19,604	31,593 *	1,897	2,705	42.6%
Other Consumer-Oriented Products	35,318	56,356	83,765	98,917	142,141 *	9,676	8,672	-10.4%
Wood Products Total	270,473	382,439	510,660 *	473,726	390,980	35,237	20,837	-40.9%
Logs	5,368	6,178	8,278	7,744	10,636 *	612	592	-3.3%
Lumber	146,797	194,862	250,373 *	237,723	184,318	20,010	7,961	-60.2%
Plywood & Panel Products	58,329	73,654	98,958	113,595 *	108,749	7,909	5,242	-33.7%
Other Wood Products	59,978	107,745	153,050 *	114,664 *	87,277	6,706	7,043	5.0%
Fish & Seafood Products Total (Edible)	13,623	16,779	22,973	32,743	49,077 *	3,464	917	-73.5%
Salmon, Whole/Eviscerated	285	241	422 *	339	380	7	31	342.9%
Salmon, Canned	149	70	445	374	499 *	50	16	-68.0%
Crab & Crabmeat	183	319	665	557	800	71	5	-93.0%
Surimi (fish paste)	N/A	N/A	234	388 *	216	9	4	-55.6%
Roe & Urchin	129	135	203	320	319	29	8	-72.4%
Other Edible Fish & Seafood Products	12,877	16,014	21,004	30,765	46,862 *	3,299	853	-74.1%
Agricultural Product Total	2,548,270	2,984,157	3,765,679	3,561,945	4,513,096 *	346,202	274,638	-20.7%
Agricultural, Fish & Wood Product Total	2,832,366	3,383,375	4,299,312	4,068,414	4,953,153 *	384,903	296,392	-23.0%

Note: (*) Highest export level since at least 1970. N/A = not available; NA = not applicable.

Source: Trade & Marketing Analysis Branch, TEAD/ITP/FAS

Feature Story: Agriculture's Trade Balance Remains in Second Place Among Eleven Major U.S. Industries

Agriculture continues its unbroken 30-year record of trade surpluses. In 1994, it retained its position as the second largest positive contributor to the total U.S. merchandise trade balance with a surplus of \$18.9 billion, and was one of only four major industries to achieve a positive trade balance. This year, with export growth expected to outstrip growth in imports, a further expansion in agriculture's trade surplus to just over \$20 billion is forecast.

By Ernest Carter

The Foreign Agricultural Service (FAS) has tracked and reported on the relative trade performance of 11 major U.S. industries for several years. Agriculture recorded a trade surplus of \$18.9 billion in 1994, placing it behind top-ranked aircraft/ships/trains but ahead of chemicals and industrial machinery. The remaining seven industries tracked by FAS all recorded trade deficits.

The U.S. merchandise trade deficit grew \$33.9 billion to a record \$166.4 billion in 1994, as import growth outpaced export growth across nine of the 11 major industries. Of the four major industries that achieved a trade surplus, chemicals and agriculture were the only ones whose net surplus rose from the previous year. Agriculture's trade surplus rose \$1.3 billion, while the non-agricultural portion of the merchandise trade account fell \$32.6 billion to a

deficit of \$147.5 billion.

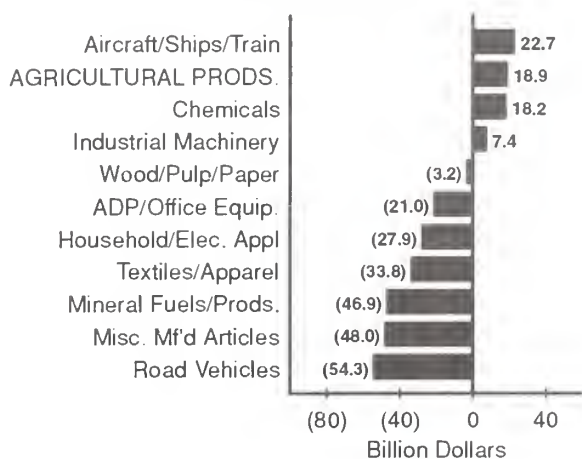
Compared to the previous year, U.S. merchandise exports rose 10 percent to \$502.7 billion in 1994. Including agricultural products, the top five industries accounted for just over half of all exports, with industrial machinery clearly in the lead at \$65.7 billion. Nine of the 11 major industries recorded sales gains from the previous year. Agricultural exports reached \$45.7 billion, up \$3.2 billion from 1993. Now ranked the fourth largest export industry (it was fifth in 1993), agriculture accounted for nine percent of U.S. merchandise exports in 1994.

Turning to the other half of the equation, total U.S. merchandise imports reached \$669.1 billion, up 14 percent from 1993. Road vehicle imports were clearly in the lead at

\$99.2 billion, but imports of household/electrical appliances and miscellaneous manufactured articles were close behind at \$88 billion and \$79.5 billion, respectively. All 11 major industries recorded higher imports in 1994. Agricultural imports rose \$1.9 billion to \$26.8 billion, up 8 percent from the previous year. Agriculture remained in ninth place, accounting for only 4 percent of total U.S. merchandise imports.

The total U.S. merchandise trade deficit reached a record \$166.4 billion in 1994. Without agriculture, the total trade deficit would have risen to \$185.3 billion, an 11-percent increase over the actual figure. Although a relatively open import regime and rising consumer demand for imported foods are expected to fuel the long-term growth in U.S. agricultural imports, agricultural export gains should continue outpacing import growth over the next several years. Led by aggressive export promotion activities, a competitively-priced U.S. dollar, and improved access to certain foreign markets, agriculture should continue as a positive force for the nation's trade account well into the next century.

Agriculture was Second Largest Contributor to U.S. Merchandise Trade Balance in 1994

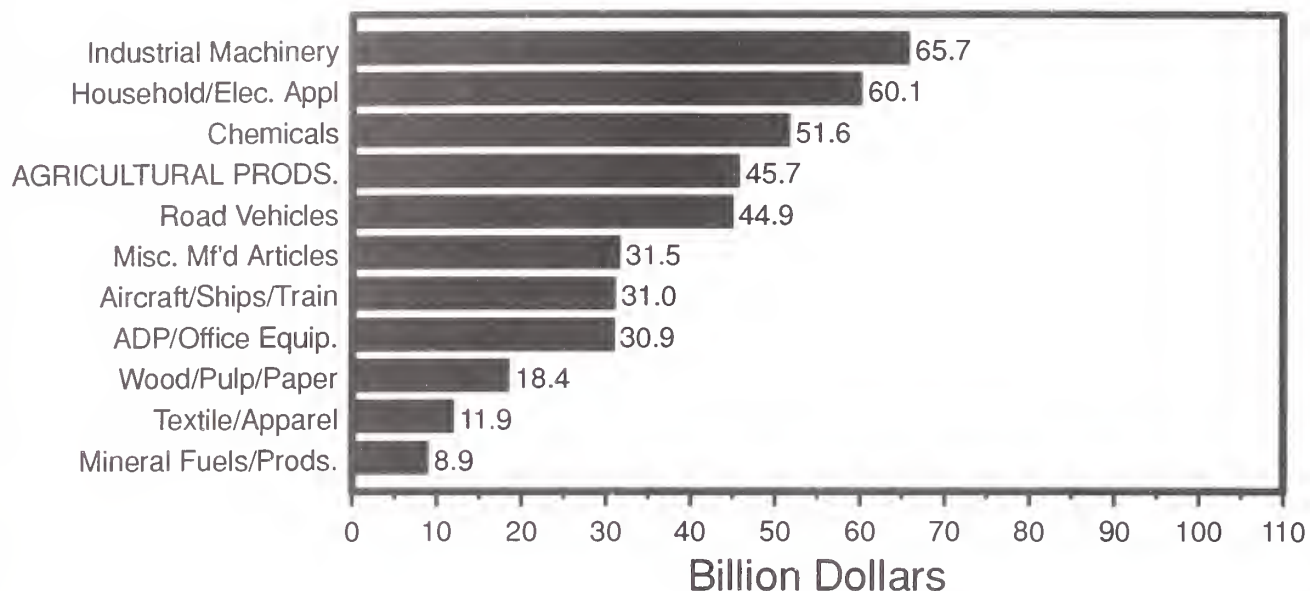


A Note on Services Trade

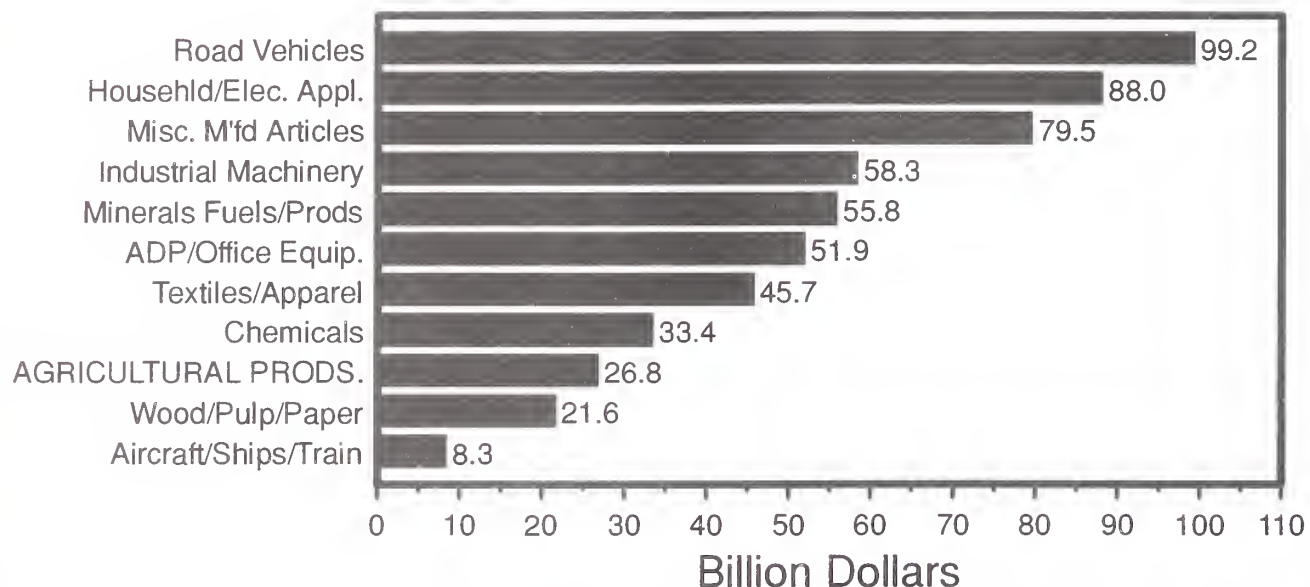
Unlike general merchandise trade, the United States enjoys a substantial surplus in service trade. In 1994, the value of services exported rose 6 percent to \$195.3 billion, while the value of imports rose at the same rate to \$135.3. Thus, the trade surplus in services rose to \$60 billion in 1994, a \$3.2 billion increase over the previous year. By combining services with merchandise trade, the 1993 and 1994 U.S. trade deficits were \$75.7 billion and \$106.4 billion, respectively.

The author is with TMAB/ITP/FAS and can be reached at tel. (202) 720-2922; Internet ID ecarter@ag.gov.

U.S. Agricultural Exports Ranked 4th



Agricultural Products Only 4% of Imports



Trade Policy and Market Updates

Gearing Up for The Western Hemispheric Trade Ministerial in June

As part of the follow-up to the Summit of the Americas and to move toward the establishment of a Free Trade Area of the Americas, the United States is holding meetings with the major regional groups in the hemisphere. This first round of meetings should be completed by mid-April. The purpose of these meetings is to lay the groundwork for the upcoming Trade Ministers' meeting in late June in Denver. On May 10, the USG plans to hold an "all-nations" meeting in Washington to develop the final details for the Denver Ministerial.

First Korean Imports of U.S. Oranges

On March 21, Korea's Cheju Citrus Growers' Cooperative (CCC) conducted the second sale of U.S. navel oranges. The oranges were sold through the weekly wholesale fruit-market auction in Seoul. FAS/Seoul reports that the oranges are "selling like hotcakes," but that wholesale prices tripled since the initial sale on March 13 and retail prices are now about \$1.83/piece. Press reports attribute this to the fact that, unlike the first auction, the prices at the second sale "were not fixed". There was considerable concern expressed by both the CCC and the Korean press that the prices paid for the U.S. oranges at the first sale were sharply lower than for Korean oranges. The U.S. oranges all came from California and were purchased by the CCC in a 3,000-ton lot from three suppliers who won the CCC's January tender.

Japan Announces Rice Importer Requirements

Japan's Food Agency recently announced the requirements to become an authorized rice importer. Rice imported under the Uruguay Round minimum access agreement will fall under the control of this agency. To receive authorization, a company must have shipped an average annual volume of at least 3,000 tons in the last three years and have at least 1 billion yen of owned capital. The Food Agency accepted applications for rice importer status between March 14 and 24. Results will be announced soon. Last year, over ten companies applied including Cargil Japan, but none were approved.

Hungary Expands Exports to Former Soviet Union and Imposes Higher Import Tariffs

Hungary's agricultural exports to the Former Soviet Union countries grew substantially in 1994, especially to Russia, Kazakhstan and Belarus. The leading exports were low-quality/low-priced processed foods and beverages. Hungary's socialist government is attempting to secure these gains through expanded export subsidy payments and bilateral countertrade agreements. Hungary also imposed an 8-percent increase for all tariffs effective March 20 and lasting through mid-1997. This tariff increase is part of an austerity package to curtail the growing current account and budget deficits. Hungary also devalued its currency 9 percent on March 13.

China's Tariff Revisions May Dampen U.S. Horticultural Exports

China recently modified its import tariff structure by eliminating special provisions that allowed imports to enter at zero duty, or half the normal rate. The move was characterized as an attempt to create greater equity in the national import duty regime in preparation for joining the World Trade Organization. The shift in policy is expected to impact sales of selected U.S. horticultural commodities. These include shipments, both direct and indirect, valued at over \$200 million in 1994. China's former system provided a number of importers duty free import privileges for products primarily oriented towards foreigners and for sales requiring hard currency payments. Reduced duty rates were also enjoyed by China's five Special Economic Zones for food and beverage imports, with the exception of alcoholic beverages.

...Trade Policy and Market Updates

Philippines to Import U.S. Corn After Five-Year Hiatus

Due to tight supplies and high domestic prices, the Philippines announced a tender for 33,000 tons of U.S. corn. This announcement comes after recent purchases of 100,000 tons of corn, which was originally to be sourced from Argentina. However, at least one of the shippers has exercised an option to ship U.S. corn, and at least 25,000 tons are expected to originate from the United States. The United States was a major supplier of corn to the Philippines in the early 1980s. However, due to restrictive government policies, no U.S. corn has been imported since 1989/90.

First Direct Export of U.S. Corn to North Korea

A vessel loaded with 54,000 tons of corn recently sailed from the Pacific Northwest destined for North Korea. It has long been believed that small quantities of U.S. corn were being transshipped to North Korea. The U.S. seller indicates this is a commercial sale and future sales are expected. This sale illustrates both the shortage of grain in North Korea and tight corn supplies in China, the country which normally supplies North Korea an average of 250,000 tons per year.

Tunisia Buys Durum

Tunisia has brought unusually large quantities of durum this year, signaling a reversal of the self-sufficiency in durum production achieved in recent years. The strong demand for imported durum is due to drought, which cut total wheat production to roughly a third the recent historical average. Canada recently penetrated the Tunisian durum market for the first time. Canada has recently sold up to 100,000 tons, while the United States has sold 300,000 tons since June, the first U.S. durum business to Tunisia in recent years.

Leather Exports Hit a Record

The value of U.S. leather exports in 1994 reached a record \$811 million, up from \$765 million in 1993, and can be partly attributed to the reclassification of the tariff code for automobile upholstery leather from Chapter 41 to Chapter 94. The reclassification allows U.S. upholstery leather exports to enter Japan under a much lower duty rate. The leather industry reports higher domestic prices for raw cattle hides, in spite of the mild 1994-95 winter and subsequently low volume of retail leather shoe and boot sales.

Vietnam Bright Market for U.S. Genetics

The U.S. livestock genetics export cooperator recently concluded a successful market study trip to Vietnam. According to the report, Vietnam plans to improve its livestock genetics through purchases from the United States. Most of the purchases will be cattle, swine, and semen. During the trip, USDA and Vietnamese officials reached agreement on protocols covering Vietnam's health import requirements for livestock and genetics.

Nigeria Repeals Rice Import Ban

The Nigerian government lifted its ten-year import ban on rice effective retroactively on February 28. Prior to the import ban, Nigeria was one of the world's largest rice importers, and was an important market for U.S. rice with annual U.S. sales ranging from 150,000-400,000 tons. The announced tariff ceiling is 100 percent, but even if this full rate were applied, landed prices would likely be lower than prices on transshipped rice. As a result, direct rice imports are expected to resume and the volume of imports (currently estimated at about 400,000 tons annually) is likely to increase. All importers may participate since there will be no government licensing.

...Trade Policy and Market Updates

U.S.-China Quarantine Bilaterals Planned

As provided for under the recently signed "Letter of Intent" between the United States and China, officials from both countries will meet in San Francisco the week of April 17 to discuss a range of outstanding market access issues. Horticultural products on the agenda for the U.S. side include apples, grapes, cherries, citrus (oranges, lemons, grapefruit), plums, and pears. Following the bilateral discussions, China's delegation will visit fruit producing areas in California, Oregon, Washington, and possibly Idaho. The team will be accompanied by representatives from APHIS and FAS. It is anticipated that agreement will be reached on a protocol permitting the entry into China of sweet cherries from Washington State and also on expanding the existing apple protocol for Washington State apples to include apples produced in the states of Oregon and Idaho. China continues to ban imports of all fruits produced in California, citing concerns over Medfly. China has agreed to conduct a pest risk assessment for grapes, a move which could eventually result in a shift in its current policy on California.

Brazil's Orange Juice Production and Exports Higher than Expected

The Agricultural Officer in Sao Paulo increased Brazil's orange juice production forecast for marketing year 1994/95 (July-June) from 1 million to 1.11 million metric tons, based on a larger-than-expected orange crop and crush, as well as record extraction rates due to the drought. Brazil's 1994/95 orange juice export forecast has accordingly been increased from 1.0 to 1.09 million tons. These higher production and export forecasts indicate that Brazil's orange juice supplies are more adequate than earlier thought which means more competition for U.S. orange juice exports, particularly in the European Union where the United States has been making inroads.

EU to Continue Imports of U.S. Kiln-Dried Coniferous Lumber

On February 8, 1995, the EU Standing Committee on Plant Health made permanent a 1993 derogation allowing the import of U.S. kiln-dried coniferous lumber under an APHIS-supervised industry certification program. The EU agreed to the derogation in June 1993, after lengthy negotiations with FAS and APHIS. More than a year of experience with the program convinced EU officials of its effectiveness. The program allows U.S. industry to certify that its shipments meet EU plant health requirements, eliminating the need for an official phytosanitary certificate. Softwood lumber shipments to the EU totaled \$216 million in 1994.

Canada Abandons Rail Subsidies

Canada's budget crisis contributed to the abandonment of freight subsidies to railroads which covered part of the cost of shipping selected agricultural commodities from the prairie provinces. These subsidies have existed in one form or another for over 100 years, and recently have amounted to around C\$550 million annually. A package of transitional measures will be provided, including a capital payout of C\$1.6 billion to owners of prairie farm land and a multi-year WGTA-adjustment package of C\$300 million. Canadian rail subsidies for grain movement have been identified by U.S. producers as an unfair trade practice, because they give Canadian grain a price advantage over U.S. grain shipped overseas.

EU Malting Barley Exports to China

The EU has registered malting barley exports totaling at least 200,000 tons to China, thus gaining a significant position in this growing market at a critical time. Australia traditionally supplies as much as two-thirds of China's 1.2 million tons of imported barley. However, due to drought, Australia is currently unable to supply this amount to China. As a result, subsidized malting barley from the EU has quickly entered this market with sales far surpassing the EU's historical level. The world's fastest-growing malting barley importer, China's imports have increased 12-fold over the past decade.

...Trade Policy and Market Updates

U.S. Exports to Eastern Europe Drop in 1994, but Sales Opportunities Remain

In calendar 1994, U.S. agricultural exports to Central and East Europe fell 30 percent -- from \$490 million to \$342 million -- reflecting significant losses in wheat, corn, rice, planting seeds, and dairy products. Some offsetting gains occurred in sales of cotton, pulses, wheat flour, soybean meal, vegetable oils, poultry meat, and livestock products. Reasons for the decline in U.S. exports included reduced food aid shipments, lower livestock inventories which led to curtailed feedgrain imports, and rising border protection in several countries in the region. U.S. exports to Poland showed the largest value loss, while smaller losses were registered for U.S. exports to Albania, Bulgaria, Estonia, Latvia, Slovenia, and Romania. U.S. exports to Croatia and Bosnia-Herzegovina recorded significant export gains.

Growth opportunities exist for competitively priced U.S. products that support Central and East European farm productivity, hard currency export earnings, greater diet diversity, and growth in tourism. There are also opportunities for U.S. farm inputs, and for investment in Central and East European food marketing and processing. The prospects for U.S. exports will be affected by weather conditions (as the region is prone to droughts), the progress of ongoing agrarian reforms, increased border protection by several countries, and trade preferences accorded to western European trading partners.

U.S. Agricultural Exports to Central and East Europe

Country	1992	1993	1994	% Change
	--- \$million ---			94/93
Albania	25.2	28.8	13.8	-52
Bulgaria	5.3	26.1	5.5	-79
Czech and Slovak Republics	19.5	15.7	16.3	+4
Estonia	32.6	29.9	7.7	-74
Hungary	11.7	10.6	11.4	+7
Latvia	26.0	11.7	4.8	-59
Lithuania	25.3	18.7	19.1	+2
Poland	105.6	195.1	95.6	-51
Romania	94.5	101.7	67.9	-33
Former Yugoslavia	54.3	51.3	99.6	+94
TOTAL	399.9	489.7	341.9	-30

Note: Totals may not add due to rounding.

U.S. Exports of Agricultural, Fish & Wood Products to All Countries

Calendar Years 1990 to 1995 and Year-to-Date Comparisons (\$1,000)

Product	Calendar Years					January-January		%
	1990	1991	1992	1993	1994	1994	1995	
Bulk Agricultural Total	20,232,083	18,348,386	19,687,248	18,593,458	18,951,466	1,738,062	2,209,051	27.1%
Wheat	3,839,037	3,292,138	4,449,324	4,664,582	4,056,007	392,585	389,458	-0.8%
Coarse Grains	7,036,717	5,722,597	5,736,599	5,000,598	4,731,925	386,729	577,491	49.3%
Rice	801,527	753,557	726,072	771,312	1,010,548	70,026	84,912	21.3%
Soybeans	3,549,508	3,956,443	4,380,402	4,598,746	4,330,427	513,815	542,543	5.6%
Cotton	2,798,495	2,491,999	2,010,338	1,540,678	2,676,263	207,365	402,693	94.2%
Tobacco	1,441,116	1,427,631	1,650,559 *	1,306,067	1,302,745	110,545	143,420	29.7%
Pulses	353,111	268,414	191,656	213,254	280,649	17,113	18,224	6.5%
Peanuts	203,373	180,304	240,308	204,576	187,552	13,875	20,565	48.2%
Other Bulk Commodities	209,199	255,304	301,989	293,645	375,352	26,009	29,746	14.4%
Intermediate Agricultural Total	8,573,907	8,789,224	9,231,134	8,973,466	9,749,696 *	841,012	1,002,900	19.2%
Wheat Flour	182,956	184,256	184,317	205,729	211,248	23,612	11,966	-49.3%
Soybean Meal	1,005,103	1,155,307	1,294,722	1,132,041	958,920	99,083	114,283	15.3%
Soybean Oil	312,930	222,126	376,202	363,897	525,077	32,130	65,131	102.7%
Other Vegetable Oils	394,790	418,144	502,732	543,897	671,187 *	39,010	84,453	116.5%
Feeds & Fodders (excl. pet foods)	1,572,369	1,605,732	1,722,327	1,744,163 *	1,738,454	153,663	162,730	5.9%
Live Animals	513,783	686,563 *	607,891	518,927	587,352	54,370	42,240	-22.3%
Hides & Skins	1,729,731	1,357,570	1,326,054	1,268,658	1,507,616	116,600	151,101	29.6%
Animal Fats	428,729	426,824	515,214	501,702	598,546	48,693	50,075	2.8%
Planting Seeds	588,723	671,655	675,011 *	619,359	648,614	93,590	106,949	14.3%
Sugars, Sweeteners & Bever. Bases	572,052	634,101	573,921	567,807	656,761	45,364	62,972	38.8%
Other Intermediate Products	1,272,743	1,426,946	1,452,744	1,507,288	1,645,921 *	134,896	151,000	11.9%
Consumer-Oriented Agricultural Total	10,465,615	11,967,920	13,895,994	14,911,316	16,988,134 *	1,157,291	1,255,820	8.5%
Snack Foods (excluding nuts)	530,125	633,040	829,679	1,024,643	1,101,668 *	80,117	73,293	-8.5%
Breakfast Cereals & Pancake Mix	157,882	216,802	219,762	252,993	291,979 *	22,188	21,291	-4.0%
Red Meats, Chilled/Frozen	2,394,495	2,660,267	3,112,361	3,055,222	3,383,394 *	223,975	257,432	14.9%
Red Meats, Prepared/Preserved	135,998	165,101	181,562	220,038	253,621 *	18,529	16,482	-11.0%
Poultry Meat	672,888	817,913	928,464	1,100,613	1,570,414 *	88,694	128,358	44.7%
Dairy Products	328,053	462,956	793,754	857,487 *	753,257	65,556	40,574	-38.1%
Eggs & Products	101,979	143,367	139,234	139,438	164,653	10,898	9,892	-9.2%
Fresh Fruit	1,486,489	1,561,053	1,683,344	1,707,147	1,953,767 *	131,340	134,979	2.8%
Fresh Vegetables	728,648	832,935	899,624	985,953	1,046,789 *	77,818	102,103	31.2%
Processed Fruit & Vegetables	1,246,753	1,394,490	1,558,121	1,639,583	1,720,891 *	121,489	134,823	11.0%
Fruit & Vegetable Juices	375,497	385,414	461,017	469,517	543,013 *	31,363	41,813	33.3%
Tree Nuts	801,120	867,704	928,531	998,246	1,106,416 *	89,777	71,452	-20.4%
Wine and Beer	266,202	315,756	369,181	379,301	532,735 *	24,214	38,548	59.2%
Nursery Products & Cut Flowers	186,741	201,442	201,321	209,397 *	197,985	13,990	14,524	3.8%
Pet Foods, Dog/Cat	244,038	329,772	399,630	497,621	577,943 *	38,483	47,242	22.8%
Other Consumer-Oriented Products	808,706	979,907	1,190,410	1,374,116	1,789,607 *	118,860	123,015	3.5%
Wood Products Total	6,481,227	6,429,179	6,741,685	7,281,313 *	7,029,961	518,146	535,451	3.3%
Logs	2,388,921	2,074,432	2,140,010	2,489,560 *	2,277,981	147,972	137,113	-7.3%
Lumber	2,127,895	2,203,353	2,322,491	2,449,643 *	2,428,150	195,539	194,748	-0.4%
Plywood & Panel Products	769,983	735,227	847,867	906,397	944,360 *	73,078	93,182	27.5%
Other Wood Products	1,194,428	1,416,167	1,431,317	1,435,714 *	1,379,471	101,557	110,409	8.7%
Fish & Seafood Products Total (Edible)	2,776,759	3,035,383	3,353,935 *	2,959,086	3,002,265	104,067	121,107	16.4%
Salmon, Whole/Eviscerated	666,582	436,975	681,663	583,060	518,413	6,388	6,366	-0.3%
Salmon, Canned	104,276	133,644	154,401	160,416	161,577 *	7,598	16,189	113.1%
Crab & Crabmeat	363,251	431,411	448,050 *	417,660	349,136	9,735	11,702	20.2%
Surimi (fish paste)	N/A	N/A	367,627 *	274,322	318,850	3,926	2,927	-25.4%
Roe & Urchin	289,458	389,031	421,396 *	415,319	408,963	20,339	21,378	5.1%
Other Edible Fish & Seafood Products	1,353,193	1,644,322 *	1,280,798	1,108,309	1,245,325	56,082	62,545	11.5%
Agricultural Product Total	39,271,605	39,105,530	42,814,376	42,478,240	45,689,296 *	3,736,365	4,467,771	19.6%
Agricultural, Fish & Wood Product Total	48,529,591	48,570,092	52,909,996	52,718,639	55,721,522 *	4,358,578	5,124,329	17.6%

Note: (*) Highest export level since at least 1970; N/A = not available; NA = not applicable.

Source: Trade & Marketing Analysis Branch, TEAD/ITP/FAS

U.S. Exports of Agricultural, Fish & Wood Products by Major Group

Monthly and Annual Performance Indicators

Export Values	January			October-January			Fiscal Year		
	1994	1995		FY '94	FY '95		1994	1995(f)	
	-- \$Billion --		Chg	-- \$Billion --		Chg	-- \$Billion --		Chg
Grains and Feeds 1/	1.170	1.383	18%	4.965	5.589	13%	13.413	15.3	14%
Wheat & Flour	0.416	0.401	-4%	1.628	1.653	2%	4.228	5.0	18%
Rice	0.070	0.085	21%	0.279	0.413	48%	0.891	0.8	-10%
Coarse Grains 2/	0.387	0.577	49%	1.800	2.154	20%	4.569	6.0	31%
Corn	0.326	0.513	57%	1.581	1.887	19%	3.817	5.3	39%
Feeds & Fodders	0.192	0.210	9%	0.788	0.845	7%	2.277	2.1	-8%
Oilseeds and Products	0.755	0.877	16%	3.081	3.566	16%	6.975	7.6	9%
Soybeans	0.514	0.543	6%	2.003	2.201	10%	4.161	4.5	8%
Soybean Cakes & Meals	0.099	0.114	15%	0.429	0.390	-9%	1.013	0.9	-11%
Soybean Oil	0.032	0.065	103%	0.160	0.285	78%	0.433	0.6	39%
Other Vegetable Oils	0.039	0.084	116%	0.202	0.310	54%	0.608	N/A	N/A
Livestock Products	0.472	0.558	18%	2.043	2.514	23%	6.320	6.6	4%
Red Meats	0.226	0.257	14%	0.990	1.214	23%	3.206	3.4	6%
Hides, Skins & Furs	0.117	0.151	30%	0.418	0.537	29%	1.423	1.5	5%
Poultry Products	0.112	0.149	34%	0.526	0.726	38%	1.720	1.9	10%
Poultry Meat	0.086	0.127	48%	0.418	0.609	45%	1.383	N/A	N/A
Dairy Products	0.082	0.041	-50%	0.330	0.242	-27%	0.832	0.8	-4%
Unmanufactured Tobacco	0.111	0.143	30%	0.431	0.507	17%	1.260	1.3	3%
Cotton and Linters	0.207	0.403	94%	0.592	1.157	96%	2.306	3.4	47%
Planting Seeds	0.094	0.107	14%	0.275	0.322	17%	0.619	0.6	-3%
Horticultural Products	0.582	0.643	10%	2.642	3.203	21%	8.098	8.9	10%
Sugar & Tropical Products	0.152	0.163	8%	0.680	0.687	1%	1.928	2.1	9%
Wood Products 4/	0.518	0.535	3%	2.232	2.332	5%	6.946	N/A	N/A
Fish and Seafood Products 4/	0.104	0.121	16%	0.676	0.783	16%	2.912	N/A	N/A
Total Agriculture	3.736	4.468	20%	15.567	18.514	19%	43.474	48.5	12%
Total Ag., Fish & Wood	4.358	5.124	18%	18.474	21.629	17%	53.333	N/A	N/A

Export Volumes	-- MMT--			-- MMT--			-- MMT--		
			Chg			Chg			Chg
Grains and Feeds 1/	7.607	9.666	27%	33.942	39.411	16%	88.581	N/A	N/A
Wheat	2.976	2.548	-14%	12.093	11.070	-8%	31.132	33.5	8%
Wheat Flour	0.115	0.052	-55%	0.317	0.296	-7%	1.037	1.0	-4%
Rice	0.179	0.293	64%	0.890	1.554	75%	2.438	2.9	19%
Coarse Grains 2/	3.067	5.401	76%	15.678	21.148	35%	39.845	57.0	43%
Corn	2.571	4.819	87%	13.684	18.520	35%	33.057	50.0	51%
Feeds & Fodders	1.102	1.182	7%	4.202	4.481	7%	11.797	12.1	3%
Oilseeds and Products	2.608	3.475	33%	11.048	13.973	26%	24.154	30.5	26%
Soybeans	1.932	2.431	26%	7.915	10.122	28%	16.364	21.4	31%
Soybean Cakes & Meals	0.455	0.694	53%	2.004	2.194	10%	4.859	5.4	11%
Soybean Oil	0.055	0.099	80%	0.272	0.445	63%	0.694	0.9	30%
Other Vegetable Oils	0.057	0.119	108%	0.309	0.439	42%	0.849	N/A	N/A
Livestock Products 3/	0.207	0.252	21%	0.960	1.180	23%	2.957	N/A	N/A
Red Meats	0.074	0.087	18%	0.320	0.390	22%	1.025	1.1	7%
Poultry Products 3/	0.087	0.133	54%	0.431	0.623	45%	1.405	N/A	N/A
Poultry Meat	0.084	0.131	56%	0.419	0.607	45%	1.364	1.6	17%
Dairy Products 3/	0.044	0.046	2%	0.399	0.467	17%	0.467	N/A	N/A
Unmanufactured Tobacco	0.016	0.021	30%	0.068	0.074	8%	0.196	N/A	N/A
Cotton & Linters	0.164	0.253	55%	0.466	0.746	60%	1.639	2.2	34%
Planting Seeds	0.067	0.063	-6%	0.172	0.195	13%	0.498	N/A	N/A
Horticultural Products 3/	0.506	0.565	12%	2.050	2.474	21%	6.560	7.4	13%
Sugar & Tropical Products 3/	0.107	0.094	-12%	1.102	0.910	-17%	0.910	N/A	N/A
Total Agriculture 3/	11.413	14.566	28%	50.638	60.053	19%	127.414	156.6	23%

Notes: 1/ Includes pulses, corn gluten feed and meal; 2/ includes corn, oats, barley, rye and sorghum; 3/ includes only those items measured in metric tons; 4/ items not included in agricultural product totals. N/A = not available.

Source: FY 1995 forecasts (f) are based on USDA's "Outlook for Agricultural Exports," published February 22, 1995.

U.S. Agricultural Export Value by Region

Monthly and Annual Performance Indicators

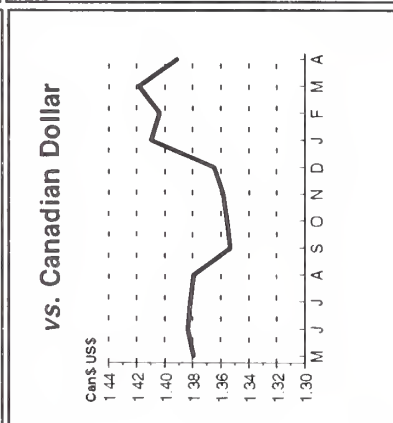
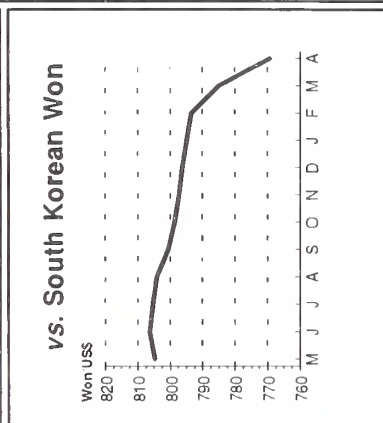
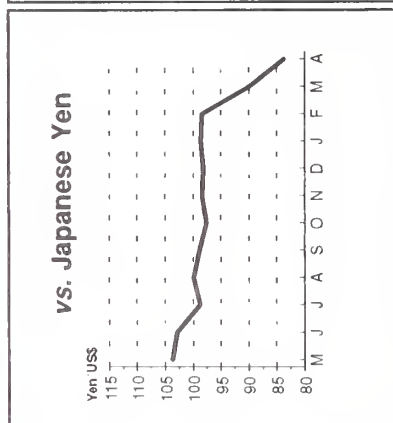
	January			October-January			Fiscal Year		
	1994	1995	Chg	FY '94	FY '95	Chg	1994	1995(f)	Chg
	-- \$Billion --			-- \$Billion --			-- \$Billion --		
Western Europe	0.742	0.826	11%	3.036	3.391	12%	7.013	7.7	10%
European Union 1/ 2/	0.722	0.797	10%	2.948	3.255	10%	6.741	7.4	10%
Other Western Europe 2/	0.020	0.029	47%	0.088	0.136	54%	0.272	0.3	10%
Central & Eastern Europe	0.032	0.022	-30%	0.136	0.127	-7%	0.310	0.4	29%
Former Soviet Union	0.098	0.086	-12%	0.833	0.347	-58%	1.474	1.2	-19%
Russian Federation	0.079	0.075	-5%	0.732	0.270	-63%	1.095	0.8	-27%
Asia	1.433	1.984	39%	5.841	7.337	26%	17.671	21.4	21%
Japan	0.719	0.839	17%	3.090	3.279	6%	9.193	9.6	4%
China	0.018	0.218	110%	0.109	0.511	371%	0.877	1.7	94%
Other East Asia	0.466	0.589	26%	1.807	2.380	32%	5.261	6.7	27%
Taiwan	0.204	0.171	-16%	0.817	0.825	1%	2.103	2.5	19%
South Korea	0.197	0.316	61%	0.666	1.061	59%	2.055	2.7	31%
Hong Kong	0.066	0.102	55%	0.323	0.490	52%	1.101	1.5	36%
Other Asia	0.230	0.338	47%	0.836	1.167	40%	2.340	3.4	45%
Pakistan	0.037	0.044	19%	0.098	0.138	41%	0.212	0.4	88%
Philippines	0.048	0.045	-5%	0.190	0.201	5%	0.554	0.6	8%
Middle East	0.147	0.220	49%	0.684	0.861	26%	1.650	1.9	15%
Israel	0.045	0.019	-58%	0.123	0.135	10%	0.346	0.5	44%
Saudi Arabia	0.047	0.040	-15%	0.195	0.175	-10%	0.470	0.5	6%
Africa	0.243	0.212	-13%	0.797	1.022	28%	2.159	2.5	16%
North Africa	0.186	0.161	-13%	0.550	0.760	38%	1.438	1.8	25%
Egypt	0.065	0.108	68%	0.203	0.498	146%	0.598	1.1	84%
Algeria	0.089	0.038	-57%	0.237	0.176	-26%	0.592	0.6	1%
Sub-Saharan Africa	0.057	0.051	-9%	0.247	0.262	6%	0.721	0.7	-3%
Latin America	0.615	0.613	-0%	2.253	3.053	36%	7.228	7.1	-2%
Mexico	0.346	0.275	-21%	1.126	1.442	28%	4.126	3.6	-13%
Other Latin America	0.269	0.339	26%	1.126	1.610	43%	3.103	3.5	13%
Brazil	0.033	0.058	77%	0.095	0.380	302%	0.227	0.6	165%
Venezuela	0.039	0.034	-12%	0.153	0.143	-7%	0.401	0.4	-0%
Canada	0.382	0.444	16%	1.688	1.993	18%	5.248	5.7	9%
Oceania	0.045	0.059	31%	0.182	0.241	32%	0.497	0.6	21%
World Total	3.736	4.468	20%	15.567	18.514	19%	43.474	48.5	12%

Note: 1/ EU-15 (historical and forecasted figures include the newest member states of Austria, Finland and Sweden).

2/ FY 1995 forecasts are unofficial estimates, however they will be replaced with official Department figures in May 1995.

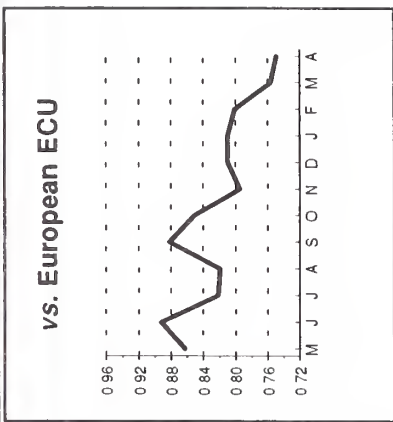
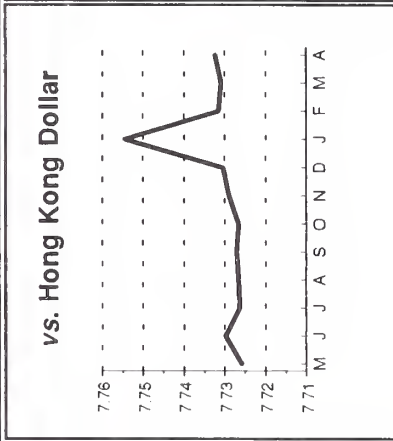
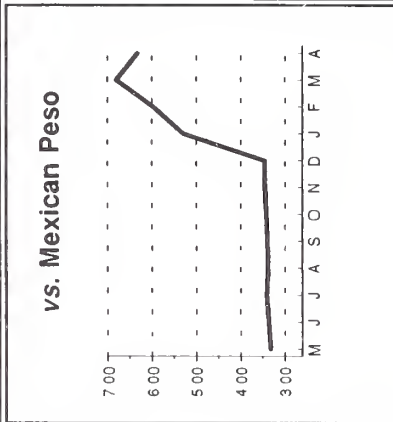
Source: FY 1995 forecasts (f) are based on USDA's "Outlook for U.S. Agricultural Exports," published February 22, 1995.

Value Of U.S. Dollar Against Major World Currencies Daily Spot Quotations & Monthly Averages



Currencies	Current Rate 4/7/95	Month Ago 3/7/95	Year Ago 4/94	% Change Year Ago 4/94
Argentine Peso	1.00	1.00	.99	1.01
Australian Dollar	1.3459	1.3536	1.3930	-3.38
Brazilian Cruzeiro real	.91	.86	.97	-6.19
Canadian Dollar	1.3911	1.4184	1.3828	0.60
Hong Kong Dollar	7.7323	7.7309	7.7275	0.06
Japanese Yen	83.68	89.90	104.80	-20.15
Mexican Peso	6.3150	6.7950	3.3590	88.80
Taiwan Dollar	25.68	26.23	26.37	-2.62
South Korean Won	769.30	784.95	809.30	-4.94
European ECU	.74895	.75597	.88668	-15.53
-British Pound	.6190	.6096	.6789	-8.82
-French Franc	4.7855	4.8885	5.8785	-18.59
-German Mark	1.3767	1.3704	1.7165	-19.80

NOTE: Exchange rates are daily spot quotes as of 3:00 PM Eastern Time, April 7, 1995.
Source: TEAD/ITP/FAS Exchange Rate Database and Wall Street Journal.



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